IATA Now Has 332 Million MT of Coal Reserves

Jakarta, 27 October 2022

The drilling activities of two coal mines owned by a subsidiary of PT MNC Energy Investments Tbk (IATA or the Company) achieved positive results. Based on The Indonesian Joint Committee for Mineral Reserves (KCMI) report, IATA succeeded in enhancing its coal reserves from 253.4 million MT to 332.0 million MT, or an additional of 78.6 million MT.

PT Arthaco Prima Energy (APE) discovered 178.6 million MT reserves with GAR of 2,500 – 3,250 kg/kcal in APE’s Phase 1-4 drilling program over an area of 2,670 Ha.

With this new finding, APE has only reached 17.8% of its total mineable area that span 15,000 Ha of land in Musi Banyuasin, South Sumatra. APE Phase 5 drilling is scheduled to be completed in the second quarter of 2023.

In addition, 9.1 million MT reserves of GAR 3,400 – 3,600 kg/kcal were also found in the PT Bhumi Sriwijaya Perdana Coal - South (BSPC-S) IUP of an area of 2,158 Ha.

Considering that the Company owns 72,478 Ha total mining area, in which 59,035 Ha is still in the process of being explored, IATA believes that proven reserves will continue to increase, reaching at least 600 million MT for all IUPs.

If calculated using the average of The Indonesian Coal Benchmark Price (HBA) from 2021 to October 2022 of USD 190.32 per tonne, APE mining activities represent a Net Present Value (NPV) of USD 881.4 million, with an Internal Rate of Return (IRR) of 63.2%, a Break Even Point (BEP) of 10.8 million MT, and a Payback Period of 2.17 years.

Meanwhile, BPSC-S is estimated to generate an NPV of USD 54.3 million, with an IRR of 57.3%, a BEP of 1.6 million MT, and a Payback Period of 1.97 years.
The Company has recently commenced a Rights Issue with a maximum value of Rp 2,671,300,034,640, by issuing a maximum of 14,840,555,748 Series B Shares offered at an Exercise Price of Rp 180 with a ratio of 13:10 (13 Rights for every 10 shares held by shareholders).

In addition, the Company will also provide additional rights by issuing a maximum of 2,968,111,149 Series I Warrants, in which every 5 shares resulting from the exercise of the Rights is attached to 1 Series I Warrant with an exercise price of Rp 210.

### Rights Issue IATA

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### Resources & Reserves

**IUP** | **Area (ha)** | **GAR (kcal/kg)** | **Resources (MT)** | **Reserves (MT)**
--- | --- | --- | --- | ---
**Based on Indonesian Joint Committee for Mineral Resources (KCM)*** | **Measured** | **Indicated** | **Inferred** | **Total** |
BSPC-N | 4,708 | 3,200 - 3,300 | 74,500,000 | 29,500,000 | 26,700,000 | 130,700,000 | 83,270,000 |
BSPC-S | 2,158 | 3,400 - 3,600 | 8,560,000 | 6,840,000 | 1,600,000 | 17,000,000 | 9,060,000 |
PNC | 2,947 | 3,000 - 3,600 | 60,400,000 | 12,900,000 | 3,600,000 | 76,900,000 | 54,820,000 |
APE* | 2,670 | 2,500 - 3,250 | 126,500,000 | 148,000,000 | 101,900,000 | 376,400,000 | 178,810,000 |
IBPE* | 990 | 3,375 | 1,010,000 | 1,630,000 | 4,900,000 | 31,300,000 | 6,220,000 |
**Total** | **13,443** | **280,060,000** | **213,540,000** | **138,700,000** | **632,300,000** | **331,980,000** |

**Potential Coal Tonnage**

**IUP** | **Area (ha)** | **GAR (kcal/kg)** | **Exploration Target (MT)**
--- | --- | --- | ---
**Based on Internal Assessment*** | **APE** | 12,300 | 3,000 - 3,500 | 5,828,434 |
**IBPE** | 14,040 | 3,100 - 3,500 | 528,994,264 |
**PE** | 4,424 | 3,000 - 3,500 | 2,663,460 |
**TPS** | 6,015 | 3,000 - 3,500 | 5,026,290 |
**SEP** | 8,596 | 3,000 - 3,500 | 942,890 |
**EIBP** | 13,690 | 3,000 - 3,500 | 1,501,890 |
**Total** | **58,035** | **953,456,358** |

Total resources & potential coal: **1,585,756,358 MT**

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Note:

* APE Phase 1 – 4 findings only
* IBPE Phase 1 finding only

Drilling activities continue for IUPs which have not been fully explored. Reserves will increase if the results of the ongoing exploration show coal findings.

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### Rights Issue Schedule

- **17 October 2022**: Effective from OJK
- **25 October 2022**: Cumulative Date
- **27 October 2022**: Recording date
- **31 October 2022 – 27 October 2025**: Trading Period of Series I Warrants
- **2 – 15 November 2022**: Distribution of Shares
- **16 November 2022**: Allotment Date of Excess Rights
- **18 November 2022**: Distribution of Excess Rights
- **17 November 2022**: Allotment Date of Excess Rights
- **31 October – 11 November 2022**: Trading Period
- **2 May 2023 – 30 October 2025**: Exercise of Warrants Period
**Rights Issue Structure**

<table>
<thead>
<tr>
<th>Issuer</th>
<th>PT MNC Energy Investments Tbk (&quot;IATA&quot;)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rights Issue Ratio</td>
<td>13 new shares for 10 existing shares</td>
</tr>
<tr>
<td>Rights Issue Shares</td>
<td>14,840,555,748 Series B Shares</td>
</tr>
<tr>
<td>Right Issue Price</td>
<td>IDR 180</td>
</tr>
<tr>
<td>Rights Issue Proceeds</td>
<td>IDR 2.7 trillion (USD 173.5 million)</td>
</tr>
<tr>
<td>Warrant Ratio</td>
<td>1 warrant for 5 shares from exercised rights</td>
</tr>
<tr>
<td>Warrants</td>
<td>2,863,111,149 Series I Warrants</td>
</tr>
<tr>
<td>Warrant Price</td>
<td>IDR 210</td>
</tr>
<tr>
<td>ROE</td>
<td>61.94%</td>
</tr>
</tbody>
</table>

**Use of Proceeds**

- Repayment of all the Company’s promissory notes issued to BHIT with cash and/or by converting receivables into the Company shares incurred for the takeover of PT Bhakti Coal Resources (“BCR”)
- Capital injection to PT Bhakti Migas Resources (“BMR”) for its investment in business development in the oil and gas sector. BMR is currently evaluating exploration opportunities in Eastern Indonesia, namely the Semai III Block in Papua
- Capital injection to BCR for working capital and business development in its coal mining sector

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